

Exhibit 19

Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: June 30, 2011

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 1-13988

DeVry Inc.

(Exact name of registrant as specified in its charter)

DELAWARE

*(State or other jurisdiction of
incorporation or organization)*

36-3150143

*(I.R.S. Employer
Identification No.)*

**3005 HIGHLAND PARKWAY
DOWNERS GROVE, ILLINOIS**

(Address of principal executive offices)

60515

(Zip Code)

Registrant's telephone number; including area code:
(630) 515-7700

Securities registered pursuant to section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered:</u>
Common Stock \$0.01 Par Value	NYSE, CSE
Common Stock Purchase Rights	NYSE

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒
No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐
No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒
No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and

will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

State the aggregate market value of the voting and non-voting common equity held by nonaffiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the Registrant's most recently completed second fiscal quarter. Shares of common stock held directly or controlled by each director and executive officer have been excluded.

December 31, 2010 — \$3,279,183,510

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

August 19, 2011 — 68,423,122 shares of Common Stock, \$0.01 par value

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the Registrant's definitive Proxy Statement for the Annual Meeting of Stockholders to be held on November 3, 2011, are incorporated into Part III of this Form 10-K to the extent stated herein.

DeVry Inc.
ANNUAL REPORT ON FORM 10-K
FISCAL YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

	<u>Page #</u>
<u>PART I</u>	
<u>Item 1 — Business</u>	3
<u>Item 1A — Risk Factors</u>	35
<u>Item 1B — Unresolved Staff Comments</u>	40
<u>Item 2 — Properties</u>	40
<u>Item 3 — Legal Proceedings</u>	42
<u>Item 4 — (Removed and Reserved)</u>	42
<u>— Supplementary Item-Executive Officers of the Registrant</u>	42
<u>PART II</u>	
<u>Item 5 — Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	44
<u>Item 6 — Selected Financial Data</u>	48
<u>Item 7 — Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	48
<u>Item 7A — Quantitative and Qualitative Disclosures about Market Risk</u>	69
<u>Item 8 — Financial Statements and Supplementary Data</u>	70
<u>Item 9 — Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	70
<u>Item 9A — Controls and Procedures</u>	70
<u>Item 9B — Other Information</u>	71
<u>PART III</u>	
<u>Item 10 — Directors, Executive Officers and Corporate Governance</u>	107
<u>Item 11 — Executive Compensation</u>	107
<u>Item 12 — Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	107
<u>Item 13 — Certain Relationships and Related Transactions, and Director Independence</u>	107
<u>Item 14 — Principal Accountant Fees and Services</u>	107
<u>PART IV</u>	
<u>Item 15 — Exhibits and Financial Statement Schedules</u>	108
<u>— Financial Statements</u>	108
<u>— Financial Statement Schedules</u>	108
<u>— Exhibits</u>	108
 <u>SIGNATURES</u>	 111
<u>EX-21</u>	
<u>EX-23</u>	
<u>EX-31</u>	
<u>EX-32</u>	
<u>EX-101 INSTANCE DOCUMENT</u>	
<u>EX-101 SCHEMA DOCUMENT</u>	
<u>EX-101 CALCULATION LINKBASE DOCUMENT</u>	
<u>EX-101 LABELS LINKBASE DOCUMENT</u>	
<u>EX-101 PRESENTATION LINKBASE DOCUMENT</u>	
<u>EX-101 DEFINITION LINKBASE DOCUMENT</u>	

Table of Contents

ITEM 3 — LEGAL PROCEEDINGS

DeVry is subject to occasional lawsuits, administrative proceedings, regulatory reviews and investigations associated with financial assistance programs and other claims arising in the normal conduct of its business. The following is a description of pending litigation that may be considered other than ordinary and routine litigation that is incidental to the business.

The Boca Raton Firefighters' and Police Pension Fund filed a complaint (the "Shareholder Case") in the United States District Court for the Northern District of Illinois on November 1, 2010 (Case No. 1:10-cv-07031). The complaint was filed on behalf of a putative class of persons who purchased DeVry common stock between October 25, 2007, and August 13, 2010. Plaintiffs filed an amended complaint (the "Amended Complaint") on March 7, 2011 alleging the same categories of claims in the initial complaint. The plaintiffs claim DeVry, Daniel Hamburger and Richard M. Gunst violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by failing to disclose abusive and fraudulent recruiting and financial aid lending practices, thereby increasing DeVry's student enrollment and revenues and artificially inflating DeVry's stock price during the class period. DeVry and its executives believe the allegations contained in the Amended Complaint are without merit and they are defending them vigorously. On May 6, 2011, DeVry filed a Motion to Dismiss the Amended Complaint, which is pending before the Court.

Three derivative cases similar to the Shareholder Case also have been filed ("Derivative Actions"). Two of the Derivative Actions were filed in the Circuit Court of Cook County, Illinois, Chancery Division: DeVry shareholder Timothy Hald filed a derivative complaint on behalf of DeVry on January 3, 2011 (*Hald v. Hamburger et al.*, Case No. 11 CH 0087) and Matthew Green (also a DeVry shareholder) filed a derivative complaint on behalf of DeVry on January 7, 2011 (*Green v. Hamburger et al.*, Case No. 11 CH 0770). The *Hald* and *Green* cases (the "Consolidated Cases") were consolidated by court order dated February 9, 2011. Maria Dotro, another DeVry shareholder, filed a third derivative complaint on DeVry's behalf in the Delaware Court of Chancery on March 11, 2011 (*Dotro v. Hamburger et al.*, Case No. 6263). Both the Consolidated cases and the *Dotro* case have been stayed by agreement of the parties pending resolution of DeVry's forthcoming Motion to Dismiss the Shareholder Case ("Motion to Dismiss").

The Derivative Actions allege that Daniel Hamburger, Richard M. Gunst, David J. Pauldine, Sharon T. Parrott, Ronald L. Taylor, Lisa W. Pickrum, Darren R. Huston, David S. Brown, William T. Kevan, Fernando Ruiz, Harold D. Shapiro, Lyle Logan, Connie R. Curran, and Julia McGee breached their fiduciary duties to DeVry by failing to disclose the same allegedly abusive and fraudulent recruiting and financial aid lending practices alleged in the Shareholder Case. The Derivative Actions also allege that DeVry's officers and directors unjustly enriched themselves and wasted DeVry's assets by (i) causing DeVry to incur substantial costs in defending the Shareholder Case; (ii) causing DeVry to pay compensation and benefits to individuals who breached their fiduciary duties; (iii) causing potential losses from "certain of DeVry's programs no longer being eligible for federal financial aid;" and (iv) damaging DeVry's corporate image and goodwill. DeVry and its executives and directors believe the allegations contained in the Derivative Actions are without merit and intend to defend them vigorously.

Although DeVry believes that the Shareholder Case and the Derivative Actions are without merit, the ultimate outcome of pending litigation is difficult to predict. At this time, DeVry does not expect that the outcome of any such matter will have a material effect on its cash flows, results of operations or financial position.

ITEM 4 — (REMOVED AND RESERVED)

SUPPLEMENTARY ITEM-EXECUTIVE OFFICERS OF THE REGISTRANT

The name, age and current position of each executive officer of DeVry are:

<u>Name, Age and Office</u>	<u>Business Experience</u>
Daniel M. Hamburger President and Chief Executive Officer, DeVry Inc.	47 Mr. Hamburger joined DeVry in November 2002 as Executive Vice President with responsibility for DeVry's online programs and Becker Professional Review division. In July 2004, Mr. Hamburger was appointed President and Chief Operating Officer of DeVry. Mr. Hamburger was appointed Chief Executive Officer in November 2006.

Table of Contents

	Fiscal Year		
	2011	2010	2009
Net Income	\$330,403	\$279,909	\$165,613
Earnings per Share (diluted)	\$ 4.68	\$ 3.87	\$ 2.28
Loss on Real Estate Transactions (net of tax)	\$ —	\$ —	\$ 2,543
Effect on Earnings per Share (diluted)	\$ —	\$ —	\$ 0.03
Litigation Settlement Reserve (net of tax)	\$ —	\$ —	\$ 3,131
Effect on Earnings per Share (diluted)	\$ —	\$ —	\$ 0.05
Net Income Excluding the Loss on Real Estate Transactions and Litigation Settlement Reserve (net of tax)	\$330,403	\$279,909	\$171,287
Earnings per Share Excluding the Loss on Real Estate Transactions and Litigation Settlement Reserve (diluted)	\$ 4.68	\$ 3.87	\$ 2.36

RESULTS OF OPERATIONS

The following table presents information with respect to the relative size to revenue of each item in the Consolidated Statements of Income for the current and prior two fiscal years. Percentages may not add because of rounding.

	Fiscal Year		
	2011	2010	2009
Revenues	100.0%	100.0%	100.0%
Cost of Educational Services	42.4%	43.1%	45.8%
Loss on Real Estate Transactions	0.0%	0.0%	0.3%
Litigation Settlement Reserve	0.0%	0.0%	0.3%
Student Services and Administrative Expense	34.9%	35.4%	37.5%
Total Operating Costs and Expense	77.3%	78.5%	83.9%
Operating Income	22.6%	21.5%	16.1%
Interest Income	0.1%	0.1%	0.4%
Interest Expense	(0.1%)	(0.1%)	(0.2%)
Net Investment Gain	0.0%	0.1%	0.0%
Net Interest and Other Income (Expense)	0.0%	0.1%	0.2%
Income Before Minority Interest and Income Taxes	22.7%	21.5%	16.2%
Income Tax Provision	7.5%	6.9%	4.9%
Net Income	15.2%	14.6%	11.3%

During the fourth quarter of fiscal year 2011, DeVry recently renamed and repositioned some of its segments to reflect the current alignment of its operations. All periods in Management's Discussion and Analysis of Financial Condition and Results of Operations have been revised to reflect the segment realignment. The three reporting segments are now as follows:

- Business, Technology and Management (undergraduate and graduate at DeVry University, including Keller Graduate School of Management)
- Medical and Healthcare (Chamberlain College of Nursing, Ross University, Carrington Colleges Group, Inc. and American University of the Caribbean, which was acquired by DeVry on August 3, 2011)
- International, K-12 and Professional Education (DeVry Brasil, Advanced Academics and Becker Professional Education)

FISCAL YEAR ENDED JUNE 30, 2011 VS. FISCAL YEAR ENDED JUNE 30, 2010

REVENUES

Total consolidated revenues for fiscal year 2011 of \$2,182.4 million increased \$267.2 million, or 14.0%, as compared to last year. Revenues increased within all three of DeVry's business segments as a result of growth in student enrollments, improved student retention and tuition price increases. DeVry's revenue growth rate decelerated from 18.7% during the first half of fiscal year 2011 to 9.7% during the second half of the fiscal year mainly as a result of declining new student enrollments at DeVry University and Carrington.